



Director of
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NICARAGUA: Expanding Insurgent Activity

The opening of a new insurgency campaign in southern Nicaragua under former revolutionary hero Eden Pastora will increase the pressure on the Sandinistas. []

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Pastora declared in a letter released yesterday in San Jose that his group, the Democratic Revolutionary Alliance, has begun to fight against the junta. The letter included a warning to Cuban personnel in Nicaragua that he will attack them unless they leave the country within 15 days. A spokesman emphasized attacks will not be launched from Costa Rica, and Pastora's letter said that he is already in Nicaragua.

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Comment: The Democratic Revolutionary Alliance is the third-largest group to take up arms against the Sandinistas. Pastora reportedly still commands a following in Nicaragua, and this may help him recruit new supporters. []

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Pastora is maintaining he will not join forces with the insurgents fighting in the north. He regards their leaders as tainted by their association with the late President Somoza's National Guard. []

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The insurgents in the north have scored no major victories, but their hit-and-run tactics have kept up the pressure on the Sandinistas. Pastora's third front probably will force the Sandinistas to shift some forces to the south. []

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EAST GERMANY-WEST GERMANY: High-Level Visit

East German economic chief Mittag will use his visit to West Germany beginning tomorrow to assess Bonn's views on bilateral relations and to urge a summit be held this year. []

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Mittag—who helped to prepare for the summit in December 1981 between East German leader Honecker and former Chancellor Schmidt—is the first high-ranking East German to visit West Germany since the Christian Democrats came to power last October. So far, he is scheduled to meet only with Economics Minister Lambsdorff, but he has requested a meeting with Chancellor Kohl. []

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Comment: Mittag probably will seek to resurrect joint projects that would help to alleviate East Germany's financial problems and stimulate its slowing economic growth. He almost certainly will resist West German demands to lower the minimum daily currency exchange requirement for visitors as the price of cooperation. []

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The two sides are unlikely to reach any significant new agreements. Cooperation will be impeded by East-West tensions over INF, West German financial constraints, and the slowness of the Kohl government to formulate an intra-German policy. []

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The East Germans probably would like to arrange a summit soon. They would use it to seek economic concessions and to oppose INF deployments. []

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East Germany is likely to be reluctant, however, to hold a summit as the deployment date nears. The East Germans would calculate that such a meeting would undercut their argument that INF deployments will damage intra-German relations. A summit later this year would help Kohl politically by demonstrating his commitment to continued dialogue with the East during a period of tension. []

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JAPAN-USSR: Continuing Differences

The third annual Japanese-Soviet working-level consultations in Tokyo this week reportedly were unproductive and acrimonious. [redacted]

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Foreign Minister Abe and other senior officials repeatedly told Soviet Deputy Foreign Minister Kapitsa that the occupation of the Northern Territories remains the main obstacle to improved relations and that resolution of this issue is a prerequisite to a peace treaty. The Japanese also demanded Foreign Minister Gromyko retract his charge that nuclear weapons are based in Okinawa and stressed Tokyo's opposition to Soviet deployment of SS-20s in Siberia. [redacted]

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Kapitsa came to Tokyo with proposals for a long-term economic agreement, a good-neighbor treaty, and a guarantee against using weapons. The Japanese were expecting these proposals, and they wondered if he anticipated anything other than a negative response. The Soviet Deputy Foreign Minister also reiterated Moscow's position that the current atmosphere is "inappropriate" for a visit by Gromyko to Tokyo. [redacted]

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Comment: Kapitsa's visit was his last stop on an unsuccessful tour of Asian countries. He seems to have added to the recent strains in relations with Japan. [redacted]

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The Japanese appear to have used the talks to demonstrate their firmness and to underscore how little success the Soviets can expect in dealing with Tokyo if they continue to employ intimidation and crude propaganda. Nonetheless, Moscow is likely to persist in its efforts to drive a wedge between the US and Japan and in its attempts to foment Japanese and other East Asian fears of militarism in Japan. [redacted]

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[redacted]

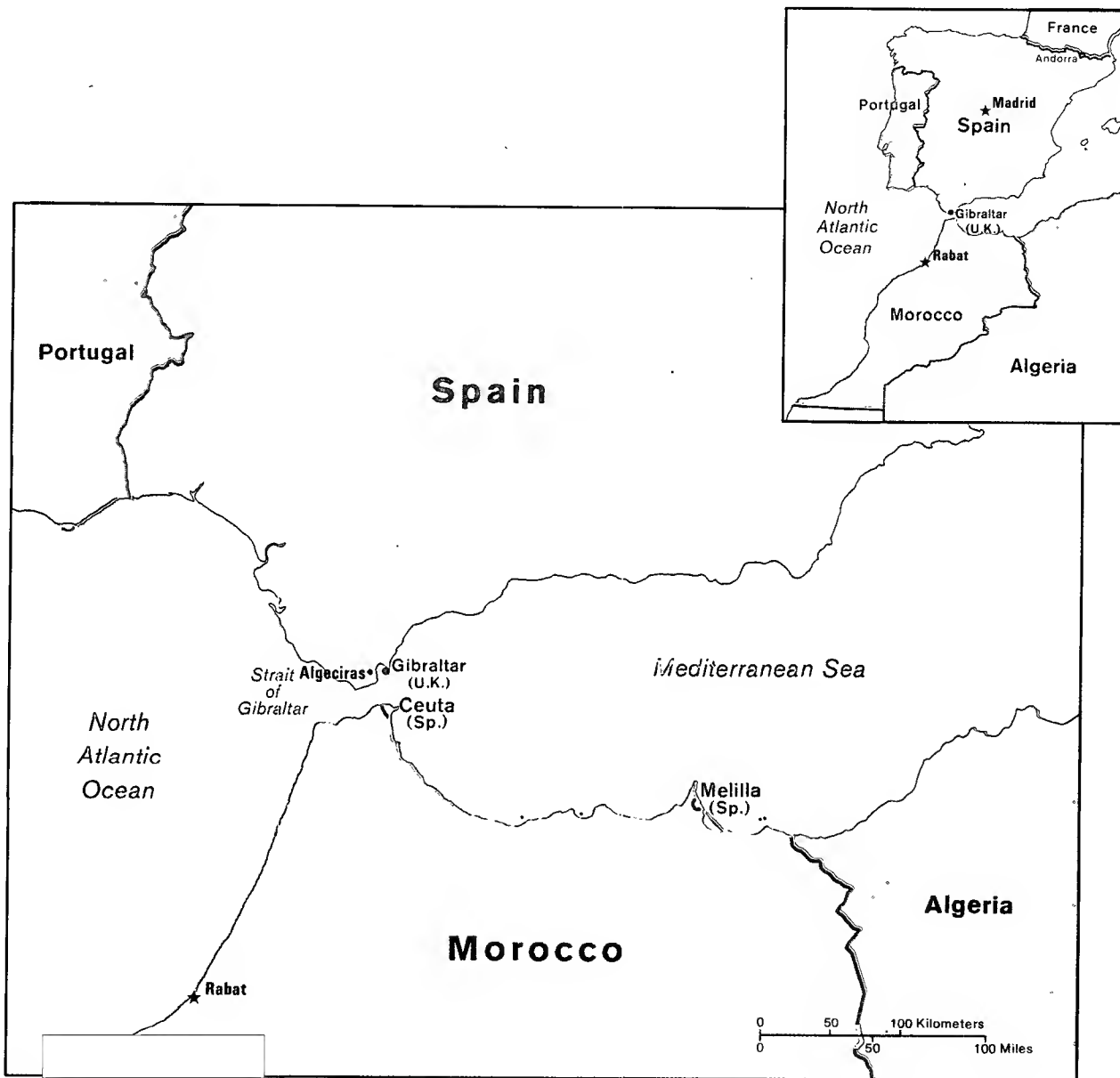
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SPAIN-UK: Reaction to Naval Exercise

Madrid has reacted to the arrival on Wednesday of eight British naval vessels in Gibraltar's harbor by stationing three Spanish warships near Algeciras to observe British forces. Prime Minister Gonzalez described the move as one element of a position that is balanced between "prudence and firmness." The Spaniards were particularly irritated that some of the warships had been involved in the war with Argentina. The presence of the British naval forces has provoked widespread criticism in Spain. []

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Comment: The unusual stationing of the Spanish warships near Gibraltar was designed in part to head off domestic criticism that the government had not responded forcefully. The incident is likely to harden both British and Spanish bargaining positions on the Gibraltar dispute. []

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BRAZIL: More Urban Unrest

The deepening recession and the example of the recent riots in Sao Paulo have prompted worker outbursts in other cities. Police swiftly quelled street violence and looting during the past week by unemployed workers in Rio de Janeiro and Fortaleza. In a televised address, President Figueiredo promised firm action to contain the disturbances but also hinted at possible federal policy adjustments to relieve economic distress. []

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Comment: Brasilia is unlikely to be able to alleviate unemployment sufficiently to calm worker unrest. Although no general upheaval is likely, growing discontent among newly unemployed workers may cause further sporadic disorders. New demonstrations could help opposition politicians, businessmen, and labor groups in pushing their demands that the government ease its austerity program. []

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BOLIVIA: Threat of Famine

Bolivia faces an immediate and catastrophic food shortage, according to the US Embassy. Crops have been destroyed by drought on the Altiplano and in the high valleys and by flooding in the lowlands of Santa Cruz Department. Preliminary projections of the crop this year indicate the losses may exceed 1 million tons. More than half of the shortfall is expected to be in potatoes, the staple of poor farm families. []

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Comment: As floodwaters recede, crops can be planted in the lowlands, but there is no prospect of substantial food production in the drought-stricken highlands before 1984. Small farm families making up the bulk of the rural population in the Departments of La Paz, Oruro, and Potosi will face near famine conditions during the next year. Consumption of seed stocks and distress slaughter of farm animals probably will make recovery of the agricultural system difficult. The government has few financial resources with which to cope with the emergency, and international relief efforts will be complicated by limited food storage capacities at transshipment points and inadequate transport for distribution. []

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NORTH KOREA-SOUTH KOREA: Political Maneuvering

Finland's expulsion of the North Korean Ambassador on Thursday probably has set back P'yongyang's efforts to prevent South Korea from hosting the annual conference of the Interparliamentary Union later this year. The Ambassador had tried to bribe a member of the Finnish parliament to support shifting the conference from Seoul. The expulsion comes on the eve of an important organizational meeting in Helsinki of the Interparliamentary Union, in which the North Koreans hope to challenge the decision to have Seoul host the conference. North Korea has lined up Togo as an alternative site, and the USSR and some of its other backers are threatening to boycott the conference if it convenes in Seoul. []

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Comment: It is not clear whether Moscow's decision to increase its support for the North Korean campaign is anything more than a gesture to placate P'yongyang. The Soviets continue to send delegates to international events hosted by South Korea. Seoul views the conference as important to validating South Korea's selection as host for a number of coming regional and international events, culminating in the Olympics in 1988. South Korea has launched its own worldwide campaign to counter P'yongyang's challenge. []

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